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UNCLAS OTTAWA 003519

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WHA/CAN - BREESE AND HOLST AND E - U/S SHINER

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SUBJECT: CANADIAN FEDERAL AND PROVINCIAL TRADE MINISTERS  
COMMENT ON DOHA TRADE ROUND, AGRICULTURE, SOFTWOOD LUMBER

REF: STATE 211956

1. Canadian International Trade Minister Jim Peterson and several provincial counterparts (including those representing Canada's four most populous provinces) met in Ottawa on November 22 and spoke to reporters afterward. Peterson stressed the GOC's continued hope for an "ambitious outcome" from the Hong Kong ministerial.

2. Asked if Canada were prepared to make concessions to balance those demanded from the United States and the European Union, Peterson and his Quebec and Ontario counterparts reaffirmed their commitment to Canada's "supply management" arrangements in the dairy and poultry sectors. Peterson said Canada "can accommodate our sensitive industries because all countries have them." Such industries are in a special category so that protecting them "does not preclude ambitious cuts in other areas," allowing governments to succeed "both politically and economically." Ontario Minister Joe Cordiano added that "there is no reason to give up supply management and we won't." Quebec Minister Claude Richard said that supply management represents 40% of his province's agricultural sector and must be defended.

3. Given the GOC's current week-to-week struggle to survive votes in Parliament, Peterson used this occasion to attack the federal opposition parties' efforts to determine the timing of the federal election, now expected in January. In prepared remarks, he said that "current political instability at home will not impede our ability to be heard in Hong Kong, but it will affect how the world sees us." Under questioning, Peterson noted that even if the government were defeated in Parliament prior to the Hong Kong Ministerial, he himself would still carry Ministerial authority until replaced. However, he asked rhetorically, "How can we speak with the same credibility if we have been defeated on a no-confidence motion? Have the Opposition parties thought about the consequences for our position at the WTO?"

4. On softwood lumber, Peterson and his colleagues repeated the mantra that the United States must respect its international trade commitments. BC Minister Colin Hanson emphasized that on this and other issues, Canadians must stand together regardless of party or province. Asked what the GOC's options would be in coming days if the U.S. does not cease collecting duties, Peterson said that he expected a de minimis ruling by the U.S. Department of Commerce, and that the GOC's existing 4-part campaign (litigation, retaliation, advocacy and alternative markets) remains in effect. Peterson and Hanson both stressed that efforts to seek new markets are in addition to, not instead of, traditional markets.

WILKINS